

A G E N D A

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
Regular Meeting
County Administration Conference Room
Montgomery County Government Center
Monday, June 7, 2010
7:00 P.M.

I. CALL TO ORDER

II. DETERMINATION OF QUORUM

III. PUBLIC HEARING

1. Proposed Schedule Fixing and Classifying Rates, Fees and Charges for Water and Sewer Service

IV. PUBLIC ADDRESS SESSION

V. CONSENT AGENDA

VI. NEW BUSINESS

- A. Approve Proposed Rates, Fees and Charges for Water and Sewer Service
- B. Approve PSA FY 2010-2011 Budget

VII. FINANCIAL REPORT

VIII. DIRECTOR'S REPORT

IX. AUTHORITY MEMBERS' REPORT

X. ADJOURNMENT

TO: PSA Board of Directors
FROM: Robert C. (Bob) Fronk, PSA Director
DATE: June 4, 2010
SUBJECT: **AGENDA REPORT - PSA REGULAR MEETING – JUNE 7, 2010**

I. CALL TO ORDER

The Chair will call this meeting to order.

II. DETERMINATION OF QUORUM

The Chair will determine if a quorum is present.

III. PUBLIC HEARING

1. Proposed Schedule Fixing and Classifying Rates, Fees and Charges for Water and Sewer Service

The following public hearing notice on a proposed schedule fixing and classifying rates, fees and charges for water and sewer service was advertised pursuant to law in the *New River Current* section of the *Roanoke Times* on Friday, March 5 and Friday, March 12, 2010. See Item 1.

Notice is hereby given that pursuant to Section 15.2-5136 of the 1950 Code of Virginia, as amended, the Montgomery County Public Service Authority will conduct a public hearing to be held on June 7, 2010, 7:00 p.m., or as soon thereafter, in the Montgomery County Government Center, 755 Roanoke Street, Christiansburg, Virginia, 2nd Floor County Administration Conference Room, to receive citizen comments on the following proposed preliminary schedule fixing and classifying the following new rates, fees and charges for water and sewer service:

WATER RATE

Proposed 2.5% Increase From: \$6.63 to \$6.80 per 1,000 gallons

SEWER RATE

Proposed 5% Increase From: \$6.63 to \$6.96 per 1,000 gallons

FLATE RATE – SEWER ONLY FEE

Proposed 5% Increase From: \$40 per Month to \$42 per Month

The Authority may or may not act on the proposed water and sewer rate changes following the public hearing at the June 7, 2010 meeting.

By order of the Montgomery County Public Service Authority, Gary D. Creed,
Chair.

IV. PUBLIC ADDRESS SESSION

The Chair will ask if there are any comments from the public. Each person will be allowed five minutes to address the Board.

V. CONSENT AGENDA

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated June 7, 2010.

VI. NEW BUSINESS

**A. SUBJECT: APPROVE PROPOSED RATES,
FEES AND CHARGES FOR WATER
AND SEWER SERVICE**

**R10-06-1
RESOLUTION APPROVING PROPOSED
RATES, FEES AND CHARGES
FOR WATER AND SEWER SERVICE**

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority advertised a public hearing notice for rate adjustments in the *New River Current* section of the *Roanoke Times* on Friday, March 5 and Friday, March 12, 2010; and,

WHEREAS, the Authority held a public hearing on June 7, 2010 to receive citizen comments on the adoption of the proposed rate adjustments for all Authority owned water and sewer systems.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with the Code of Virginia, Chapter 51, Virginia Water and Waste Authorities Act, Section 15.2-5136, Rates and Charges; the Public Service Authority hereby approves and adopts the following rate adjustments, to become effective on July 1, 2010:

WATER RATE

Increase From \$6.63 to \$6.80 per 1,000 gallons

SEWER RATE

Increase From \$6.63 to \$6.96 per 1,000 gallons

FLAT RATE – SEWER ONLY FEE

Increase from \$40 per Month to \$42 per Month

ISSUE/PURPOSE:

Revenues have not been keeping pace with expenses due to increases in bulk water rates, purchased sewage treatment costs, fuel costs, electric costs, services, personnel cost, and other items. The PSA has not had a rate increase since July 1, 2007 and all the above services have incurred significant cost increases. Increased revenues will allow the PSA to operate and build up reserves in a manner consistent with proper business operations.

JUSTIFICATION:

Without a rate increase, the PSA will not be able to effectively operate. State and Federal agencies are directing public utilities to operate in a manner consistent with good business practices and have indicated that loans, grants and operating permits may be limited by the ability to properly finance utility operations.

B. SUBJECT:

APPROVE PSA FY 2010-2011 BUDGET

**R10-06-2
RESOLUTION APPROVING
PSA FY 2010-2011 BUDGET**

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby approves the annual budget for FY 2010-2011, in the total amount of \$3,263,114 – (\$1,745,495 Water & \$1,517,619 Sewer); and, that the Director is hereby authorized to utilize the budget as an official document of the Authority to become effective July 1, 2010.

ISSUE/PURPOSE:

For financial support to operate the water and sewer departments of the Public Service Authority on a day-to-day basis.

JUSTIFICATION:

Several work sessions have been held concerning the proposed budget for FY 2010-2011. The Director feels that this budget meets the needs of the PSA for FY 2010-2011. See Item 3.

VII. FINANCIAL REPORT

The financial report for period ending May 31, 2010 is being presented for review and discussion. See Item 4.

VIII. DIRECTOR'S REPORT

The Director's report will be presented at this time. See Item 5.

IX. AUTHORITY MEMBERS' REPORT

1. Member Muffo
2. Member Politis
3. Member Perkins
4. Member Brown
5. Member Marrs
6. Member Biggs
7. Member Creed

X. ADJOURNMENT

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for July _____, 2010.

ISSUE/PURPOSE:

Since the first Monday in July is a holiday, the Board will have to make a decision on a meeting date for July.

JUSTIFICATION:

In the past, when a holiday falls on the regular meeting date for the Authority, the meeting is scheduled for the Tuesday following the holiday, which would be July 6, 2010.

CONSENT AGENDA
June 7, 2010

A. APPROVAL OF MINUTES

**1. SUBJECT: APPROVAL OF MINUTES DATED
MAY 3, 2010**

ISSUE/PURPOSE: The above listed minutes are before the
Board for approval. See Item **2**.